



State of Connecticut

Office of Consumer Counsel

Mary J. Healey
Consumer Counsel

The Energy and Technology Committee
March 17, 2009

Raised Bill 1131, AAC Renewable Energy and Weatherization

Testimony of Mary J. Healey, Consumer Counsel
Presented by Victoria Hackett

The Office of Consumer Counsel (OCC) has carefully reviewed and has concerns about Raised Bill 1131, AAC Renewable Energy and Weatherization.

Section 1 of this Bill would establish a pilot program in one municipality, implemented by an electric distribution company, to promote energy efficiency and renewable technologies. OCC's greatest concern with this proposal is the cost. This program would be paid for by increasing electricity bills of all customers by up to one mill per kilowatt-hour, which is about thirty million dollars and the same as the annual budget of the Connecticut Clean Energy Fund. The Department of Public Utility Control has repeatedly recognized of late that electric ratepayers cannot afford additional rate increases.

OCC also questions the need for this pilot. It is notable that Connecticut already has an Energy Conservation and Management Board, the Connecticut Clean Energy Fund, and other public and non-profit agencies as well as for-profit businesses to promote renewable energy and/or energy efficiency. Connecticut has adopted integrated resource planning, overseen by the DPUC, for the orderly procurement of needed energy resources. Finally, the program described in Section 2 of this bill, which is similar to the program described in Raised Bill 1132, would allow numerous municipalities to promote energy efficiency or renewable energy in their territories at essentially a zero cost to ratepayers. OCC prefers the latter approach to a new and expensive pilot.

As just discussed, Section 2 of this Bill is similar to Raised Bill 1132, but with subtle differences that lead OCC to favor Raised Bill 1132. For example, whereas Raised Bill 1132 is limited to public entity participation, Section 2 of this Bill would allow participation by non-profit hospitals. OCC would prefer that the program focus on public entities, particularly considering the fact that numerous hospitals already have received capital grants from ratepayers for distributed generation.

Also of note is Section 4 of this Bill, which would promote inclining block rates for residential customers. Inclining block rates can be an appropriate means to promote the efficient use of electricity by charging more for profligate use. However, the details should be worked out by the Department of Public Utility Control as part of a rate case.